

EXHIBIT I.12

23 GOLKOW LITIGATION SERVICES
877.370.3377 ph | 917.591.5672 fax
24 deps@golkow.com

1 to try to contain the controlled substances into
2 the legitimate channels of distribution?

3 MS. MAINIGI: Objection; scope.

4 A. I agree that's what the language says.
5 I don't -- obviously I haven't read every -- all
6 the context around it, but the language
7 highlighted defines the closed distribution
8 system.

9 Q. Okay. And it even indicates that even
10 as far back as 1970, Congress is trying to
11 significantly reduce the widespread diversion of
12 controlled drugs out of legitimate channels into
13 the illicit market, correct?

14 MS. MAINIGI: Objection; scope.

15 A. That is what the language says.

16 Q. And that one of the ways they do that is
17 by creating this closed system.

18 Do you have an understanding of what
19 this "closed system" is?

20 A. I do, yes.

21 Q. Can you -- explain it briefly.

22 A. It's the system that Cardinal Health
23 operates in. It purchases pharmaceuticals it
24 distributes from licensed manufacturers. It

1 distributes those pharmaceuticals to licensed
2 pharmacies for dispensing by those pharmacies
3 to -- pursuant to prescriptions by licensed
4 practitioners.

5 Q. So what Congress was doing was limiting
6 those who could participate in this industry,
7 correct?

8 MS. MAINIGI: Objection; scope.

9 A. I think it was laying out the system to
10 go from the -- from licensed player to licensed
11 player.

12 Q. And that's my point. You have to be a
13 licensed player. I can't go out and set up Mike's
14 Drive-Thru Pharmacy and start getting controlled
15 substances shipped to me, right?

16 MS. MAINIGI: Objection; scope.

17 A. Not if you're not licensed
18 appropriately.

19 Q. Not licensed. And what Congress has
20 done is it created licensed manufacturers,
21 correct?

22 MS. MAINIGI: Objection; scope.

23 A. I don't know if Congress created them,
24 but there are licensed manufacturers, yes.

1 by the guidance provided by the DEA over the
2 years.

3 Q. Sure. And we'll talk about that.

4 A. Sure.

5 Q. I'm sure we will spend a good bit of the
6 day on that.

7 Does Cardinal operate a system to
8 disclose suspicious orders?

9 A. Yes.

10 Q. And have they always operated or
11 maintained such a system?

12 A. Yes, in accordance with the DEA
13 guidance.

14 - - -

15 (Cardinal-Norris Exhibit 7 marked.)

16 - - -

17 Q. And just so we have -- no, that's not
18 going to work.

19 I'm going to put up Exhibit Number 7,
20 which is Norris 07 and also going to be
21 Plaintiff's Exhibit Number 7. You see -- and I'm
22 sorry. I'm jumping around on you. But back on
23 Number 6, you see there at the bottom, it also
24 says, "36 FR 7778" -- excuse me.

1 absolutely. Go ahead.

2 A. Just I want to make sure I'm familiar.

3 MR. FULLER: Why don't we take a break
4 and let you read that. We've been going for a
5 while now.

6 THE VIDEOGRAPHER: The time is now 3:49.

7 Going off the record.

8 (Recess taken.)

9 THE VIDEOGRAPHER: Okay. The time is
10 now 4:05. Back on the record.

11 MS. MAINIGI: Mr. Fuller, Ms. Norris has
12 one clarification that she would like to put on
13 the record.

14 MR. FULLER: Okay.

15 THE WITNESS: I just want to make sure
16 that I was clear, because I think we were using
17 "suspicious order monitoring system" and
18 "suspicious order monitoring program" somewhat
19 interchangeably, and those are two different
20 things.

21 Cardinal Health has had a suspicious
22 order monitoring program in place since the
23 inception of the statute, which imposed the
24 requirements on us to monitor for suspicious

1 orders.

2 Q. And does that include the documents that
3 we looked at, or is that a separate --

4 A. That's part -- you mean the compliance
5 policies and procedures, the reporting
6 requirements?

7 Q. Yes, ma'am. I'm not sure what you want
8 to call them. I think it's 19, 21 -- 19, 20, 21,
9 and 22.

10 A. Those detailed --

11 Q. The suspicious ordering monitoring
12 programs?

13 A. Yes.

14 Q. Was there anything else that was sent
15 out in the suspicious order monitoring programs
16 other than what's in those documents? Are there
17 other documents that set out this, quote, unquote,
18 program?

19 A. Not to my knowledge during that time
20 period.

21 Q. And these documents were in place up
22 until the -- I think the 2006 document we looked
23 at; is that right?

24 A. They were -- the second packet was dated